GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3113
ANSWERED ON:22.03.2002
FALL IN EXPORTS
BODAKUNTI VENKATESHWARLU

Will the Minister of TEXTILES be pleased to state:

(a) whether India`s imports of textile goods have registered an alarming growth and considerable decline in export of textiles during the period from April to September, 2001;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the remedial steps proposed to boost textile exports ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) & (b) The value of textiles exports and imports during the period April-September 2001 are given below :-

(In US$ Million)

	April-September 2000	April-September 2001	% age decrease / increase of 2001-02 over 2000-01
Textile Exports	6237.1	5346.5	-14.3%
Textile Imports	666.7	813.6	22.0%

Source : DGCI&S, Calcutta

The main reason for decline in textile exports are general slowdown in the economies of some of our major trading partners like the US; increased competition from countries like China, Bangladesh; and high production cost, low productivity due to lack of modernisation of textile industry.

Though the textile imports have shown an increase, the total quantity imported is not significant. It is less than even 1% of our domestic consumption.

In the atmosphere of liberlisation, the imports are governed by market forces subject to export-import policy in force from time to time. The liberalized trading regime would result in increased international trade in textiles thus providing greater export opportunities; and at the same time expose the domestic industry to import penetration in the domestic market. The industry will have to improve its efficiency and productivity to meet the emerging global competition.

(c) In order to face the challenges of changing global scenario in textiles and to encourage investments for modernisation and upgradation of the textile industry, Government have taken a number of measures, which include:-

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector.It has also announced the de-reservation of knitted segment in the Budget 2002-03.

ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and

upgradation of this sector so that it can become more competitive in international trade.

iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%.

iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

v) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with certain exceptions.

vi) Reduction in the cost of machinery through fiscal policy measures announced in the budget 2002-03.

vii) Technology Mission for Cotton has been launched for initiating focussed steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

viii) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.